

# **MOOREA FUND GLOBAL CONSERVATIVE ALLOCATION PORTFOLIO**

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Article 10 (SFDR)

Website disclosure for an Article 8 fund

**Société Générale Private Wealth Management S.A.**

**January 2023**

This document includes information relating to environmental and social characteristics of financial products, and sustainable investments, in accordance with article 10 of the Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup>.

<b>PRODUCT NAME: MOOREA FUND – GLOBAL CONSERVATIVE ALLOCATION PORTFOLIO</b> Legal entity identifier: 549300RINIFXO6OZ3616	
<b>Does this financial product have a sustainable investment objective?</b>	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, <b>it will have a minimum proportion of ___% of sustainable investments</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b>

<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.



## A. SUMMARY

The investment objective of Moorea Fund – Global Conservative Allocation Portfolio (the “Sub-Fund”) is to provide midterm growth to investors from a diversified portfolio of investments. The portfolio is actively managed, providing a dynamic exposure to fixed income, equities and alternative investments, through mutual fund and direct holding investments picking.

The Sub-Fund aims at meeting the long-term challenges of sustainable development while delivering financial performance by the combination of financial and extra-financial criteria, integrating ESG criteria.

The Sub-Fund promotes E/S characteristics but will not make any sustainable investments and the Investment Manager is not currently in a position to specify the exact proportion of the product’s underlying investments aligned with the EU Taxonomy.

The Sub-Fund promotes E/S characteristics through its integration of extra-financial criteria in the investment process. By investing in this manner, the Sub-Fund finances companies and public sector bodies contributing to sustainable development, regardless of their sector of activity.

The Sub-Fund aims to exhibit a superior ESG score versus the benchmark. The ESG portfolio score is assessed by comparing the average score of the portfolio against the MSCI World ACWI benchmark. The ESG score of the underlying assets is provided by the external ESG data provider MSCI. The portfolio coverage by ESG score is at minimum 70% (out of cash and/or cash equivalent).

The consideration of ESG criteria in the selection of securities aims to assess the ability of companies to transform the challenges of sustainable development into vectors of performance.

The investment manager is assessing ESG characteristics of the mutual funds using data provided by external ESG providers, including MSCI, as well as proprietary ESG analysis. The proprietary ESG analysis includes, among other, analysis of the mutual funds underlying responsible policies, analysis of stewardship activities, analysis of the ESG characteristics of the underlying portfolios.

The good governance practices are assessed in the proprietary analysis of the underlying mutual funds. This includes the analysis of the stewardship policies of the funds’ management companies and well as operational due diligence of the funds’ management company.

In order to measure the attainment of the E/S characteristics promoted by the Sub-Fund, the Investment Manager uses ESG portfolio score, environmental indicators (Sustainable Impact revenues, GHG Science-Based Target signatories, Carbon footprint of the portfolio), social indicators and concerns about respect for Human Rights.



## B. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes E/S characteristics, but will not make any sustainable investments.

### How does this financial product take into account principal adverse impacts<sup>2</sup> on sustainability factors?

The PAIs are taken into account throughout the investment process: through the exclusion policy (sectoral and normative), the ESG integration policy and performance indicators (ESG ratings, ESG controversies score).

The Sub-Fund considers the PAIs detailed in the table below.

	PAI	Measurement criteria	Engage-ment	Exclu-sion	Comment
1	Greenhouse Gas Emissions	Scope 1 GHG emissions	X	X	- Thermal Coal Sector Policy - Net Zero Asset Managers Signatory
		Scope 2 GHG emissions	X	X	
		Scope 3 GHG emissions	X	X	
		Total GHG emissions	X	X	
2	Carbon footprint	Carbon footprint	X	X	
3	GHG intensity of investee companies	GHG intensity of investee companies	X	X	
4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	X	X	
7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	X	X	- Palm oil exclusion policy - Biodiversity Pledge Signatory
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	X	X	- Controversies exclusion filter
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	X	X	- Red Flag exclusion

<sup>2</sup> Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

13	Board gender diversity	Average ratio of female to male board members in investee companies	X		- Engagement policy
14	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	X	X	- Exclusions related to controversial arms

### Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In accordance with the Société Générale Group's "Defence" sector policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, companies involved in activities related to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons) are excluded from the Sub-Fund's investment universe.

In addition, and in accordance with the Management Company's investment policy, companies with a very severe controversy rating (red) according to the MSCI nomenclature are excluded from the investment universe. These exclusions guarantee full compliance with the OECD guidelines for multinational enterprises and the United Nations guidelines on business and human rights.

The Controversy Rating is notably a warning measure of the reputational and operational risks to which companies are exposed. A very serious controversy can potentially result in heavy financial penalties. All of these indicators are monitored periodically.



## C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

### What are the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics through its integration of extra-financial criteria in the investment process. By investing in this manner, the Sub-Fund finances companies and public sector bodies contributing to sustainable development, regardless of their sector of activity.

The Sub-Fund, mainly invested via UCITS mutual funds, integrates "Environmental, Social and Governance" (ESG) criteria within mutual fund selection and portfolio management investment decisions.

The investment manager is assessing ESG characteristics of the mutual funds using data provided by external ESG providers, including MSCI, as well as proprietary ESG analysis. The proprietary ESG analysis includes, among other, analysis of the mutual funds underlying responsible policies, analysis of stewardship activities, analysis of the ESG characteristics of the underlying portfolios.

The Sub-Fund aims to exhibit a superior ESG score versus the benchmark.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

To identify the positive contribution to an environmental and/or social objective, the Investment Manager implements the framework of the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 with a target date for delivery of 2030 and the European Taxonomy.

The 17 SDGs aim to foster collaboration within private and public entities to address the global challenges such as poverty, climate change, inequality, or peace and justice. In order to identify the contribution, positive or negative, to an SDG, the issuer is assessed in terms of his operational and product alignment towards each of the 17 SDGs. Every company may contribute to the goals in a variety of ways (positively and negatively) and across several goals. The operational alignment assesses the extent to which an issuer addresses a specific SDG via its internal policies and practices, targets, performance metrics. The product alignment assesses the net impact of issuer's products or services to achieve a specific SDG. The data provider MSCI has been selected to measure this companies' alignment with the SDGs.

In order that investment would be considered as sustainable, it must be aligned to at least one SDG without being misaligned to any other SDG, while respecting all the principles of Investment manager's ESG policy.

In addition, the Investment Manager takes into account the alignment of companies with the first 2 environmental objectives of the European Taxonomy (Mitigation of climate change and adaptation to climate change).

### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Sub-Fund integrates ESG criteria into its investment policy and decisions. Through this, the Sub-Fund ensures that the investments made do not cause significant harm to any of the environmental or social sustainable investment objectives and that the companies benefiting from these investments apply good governance.



## **D. INVESTMENT STRATEGY**

### **What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?**

The investment objective of the Sub-Fund is to provide midterm growth to investors from a diversified portfolio of investments. The Sub-Fund aims at meeting the long-term challenges of sustainable development while delivering financial performance by the combination of financial and extra-financial criteria, integrating ESG criteria.

The consideration of environmental, social responsibility and corporate governance (ESG) criteria in the selection of securities aims to assess the ability of companies to transform the challenges of sustainable development into vectors of performance.

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The investment manager is assessing ESG characteristics of each mutual funds in the portfolio using data provided by external ESG providers, including MSCI, as well as proprietary ESG analysis.

The Sub-Fund aims to exhibit a superior ESG score versus the benchmark. The ESG portfolio score is assessed by comparing the average score of the portfolio against the MSCI World ACWI benchmark. The ESG score of the underlying assets is provided by the external ESG data provider MSCI. The portfolio coverage by ESG score is at minimum 70% (out of cash and/or cash equivalent).

**What is the policy to assess good governance practices of the investee companies?**

The good governance practices are assessed in the proprietary analysis of the underlying mutual funds. This includes the analysis of the stewardship policies of the funds’ management companies and well as operational due diligence of the funds’ management company.

**Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)?**

- Yes
- No

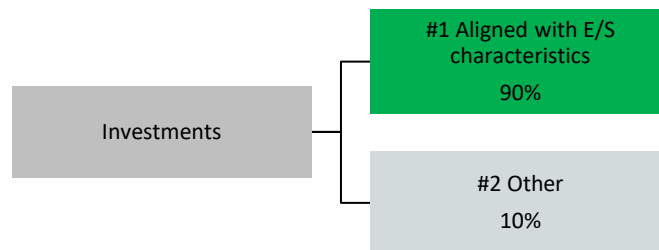
**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes
- No

 **E. PROPORTION OF INVESTMENTS**

**What is the planned asset allocation for this financial product?**

The Sub-Fund will primarily invest directly or indirectly in fixed income, floating rate securities, equities and alternatives funds compliant with UCITS rules.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

**What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)?**

The Sub-Fund does not currently commit to invest more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Based on an initial investment universe filtered by DNSH and bad governance practices, the minimum share of sustainable investments having a positive net contribution to one of the environmental SDGs (i.e. SDGs 6,7,9 11, 12,13, 14 & 15) but without contributing to the environmental objectives as set out in the Taxonomy Regulation, is 0% of the Sub-Fund's net assets.

### **What is the minimum share of sustainable investments with a social objective?**

Based on an initial investment universe filtered by DNSH and bad governance practices, the minimum share of sustainable investments having a positive net contribution to one of the social SDGs (i.e. SDGs 1, 2, 3, 4, 5, 8, 10, 16 & 17) is 0% of the Sub-Fund's net assets.

### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The investments included under “#2 Other” are cash and cash equivalent securities.

Considering the nature of the investments included under “#2 Other” there are no minimum environmental or social safeguards applicable.



## **F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS**

### **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used are as follows:

- ESG portfolio score: The ESG score of the underlying assets is provided by the external ESG data provider MSCI. The portfolio coverage by ESG score is at minimum 70% (out of cash and/or cash equivalent). The Sub-Fund aims to exhibit a superior ESG score versus the benchmark. The ESG portfolio score is assessed by comparing the average score of the portfolio against the MSCI World ACWI benchmark.
- Environmental
  - Percentage of the portfolio invested in Sustainable Impact revenues: Revenue exposure to Sustainable Impact Solutions reflects the extent to which company revenue is exposed to products and services that help solve the world's major social and environmental challenges. It is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from Sustainable Impact Solutions.
  - Percentage of the portfolio invested in GHG Science-Based Target signatories: Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered “science-based” if they are in line with the goals of the Paris Agreement –to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.



- Carbon footprint of the portfolio: This indicator measures emissions in tons of CO2 equivalent per unit of company revenue (in millions of euros of revenue).
- o Social: Presence of women on the Board of Directors: Rate of feminization of the boards of the underlying investments (on a look-through basis for the mutual funds) present in the portfolio. For companies with a two-tier board of directors, the calculation is based only on the members of the supervisory board.
- o Concerns about respect for Human Rights: This indicator makes it possible to ensure that companies comply with the main principles laid down by the United Nations in terms of human rights, in particular freedom of expression, civil liberties, the fight against discrimination and respect for minorities and communities. The look-through approach to underlying investments is applied. The look-through approach to underlying investments is applied.

### **How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

#### **1. Monitoring by the portfolio manager**

Portfolio Managers are responsible portfolio rebalancing in line with the global allocation strategy and the ESG criteria.

Portfolio Managers implement new investment ideas in order to improve the portfolio's overall risk, return and sustainable characteristics.

Underlying funds are monitored on a continuous basis in terms of financial and ESG criteria.

For issuers non-rated by the data provider MSCI, an internal review is done on an annual basis and a permanent control of news flow is applied. Portfolio managers and analyst aim to dialogue with the issuer on a yearly basis in order to discuss the ESG policy of the issuer and appreciate evolution of the key aspect of their CSR policy.

#### **2. Monitoring by SGPWM risk management**

The risk department of the management company monitors the overall financial and non-financial parameters of the portfolio.

If the position does not pass one of these controls, the risk department alerts the portfolio management team, which processes to the divestment process as described below. The Portfolio management team will also take into consideration the liquidity of the issue and the market conditions.



## **G. METHODOLOGIES**

### **What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?**

All the binding elements and sustainability indicators are measured on a monthly basis by SGPWM risk management team. If the values are in line with the objectives (indicators at 0% or above pre-defined thresholds), the environmental and social characteristics promoted of the sub-fund will be considered as attained.



## H. DATA SOURCES AND PROCESSING

**What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?**

The management company has established a number of partnerships to access non-financial research:

- The Sub-Fund's ESG analysis relies on external data providers (MSCI, Bloomberg)
- Services of a proxy voting advisor (ISS) for research on company governance (as part of SGPWM's Engagement and Voting Policy).
- SGPWM uses the Carbon database provided by MSCI and S&P Trucost.

The management team also has multiple sources of external ESG information (brokers' extra-financial research).



## I. LIMITATIONS TO METHODOLOGIES AND DATA

**What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)**

The investment process is based on qualitative and quantitative research based solely on the raw data published by companies. Thus, a first limit consists in the reliability of the published data based on credibility and the audit of non-financial reports of companies.

In addition, the Sub-Fund's ESG methodology is a proprietary and transparent methodology but is not based on any international standards. For this reason, maximum transparency on all the indicators used in the calculations is mandatory and an integral part of the management process. As regards the monitoring of controversies, it remains an evaluation exercise in which the best means are put in place to exclude from management companies that are controversial or at risk of controversy. Nevertheless, a limit lies in the impossibility of preventing all controversies and thus displaying a zero risk on this point.



## J. DUE DILIGENCE

**What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?**

In the course of its investment process, SGPWM is conducting a due diligence process on the underlying funds. This due diligence process assesses the quality of each fund company and tries to rule out that investments are done with companies where it can be reasonably assumed that they severely violated generally accepted global norms in their business practices and conduct.



## K. ENGAGEMENT POLICIES

### Is engagement part of the environmental or social investment strategy?

- Yes  
 No

### If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

Convinced of the environmental, social and governance challenges, Société Générale Private Wealth Management has defined – as an extension to its approach as a responsible investor – a stewardship policy covering our engagement activities as well as proxy voting policy attached to the securities held by the collective investment schemes which it manages.

This policy has two complementary components: an engagement policy and a voting policy, thus meeting the fiduciary obligations towards SGPWM's clients. SGPWM's Stewardship policy lists the main principles of corporate governance to which the management company adheres. As shareholders' meetings cover many different subjects, this document sets out SGPWM's voting principles on key issues.

The engagement and voting principles are reviewed annually to take into account legal changes, changes in governance codes and market practices that may have occurred throughout the year. This policy is validated by an internal governance committee and is in line with our socially responsible investor (SRI) approach.

You can find the full version of our voting and engagement policy by following this link:

[Stewardship policy - General Engagement and Voting Principles](#)



## L. REFERENCE BENCHMARK

### Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

- Yes  
 No

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**Société Générale Private Wealth Management S.A.**

11, avenue Emile Reuter

L-2420 Luxembourg

[www.sgpwm.societegenerale.com](http://www.sgpwm.societegenerale.com)

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